

Service Date: October 8, 1987

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF the Petition of)	
Montana-Dakota Utilities Company)	DECLARATORY RULING
(MDU) for a declaratory ruling on)	
the proper gas transportation rate)	
MDU should charge Cenex after)	DOCKET NO. 87.1.8
October 11, 1987.)	

On July 28, 1987, the Public Service Commission (Commission) received a Petition for Declaratory Ruling from Montana-Dakota Utilities Company (MDU). The specific question presented by MDU for a ruling is as follows:

Pending the Commission's decision in [docket 87.1.8] should Montana-Dakota charge pursuant to Rate 82 or Rate 97 for the continuation of the transportation of natural gas to Cenex after October 11, 1987?

Proper notice of the Petition for Declaratory Ruling was issued and interested persons were given the opportunity to request a hearing and/or to submit comments. A hearing was not requested but comments were received from Exxon Corporation, Western Gas Processors, and the Montana Consumer Counsel.

MDU Rates 82 and 97 apply to the transportation of natural gas for industrial customers. In order to qualify for Rate 97 an MDU industrial customer must have a gas supplier that entered into an agreement with Williston Basin Interstate Pipeline (WBIP) under a WBIP FERC approved tariff prior to April 1,


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1985. Farmers Union Central Exchange (Cenex) has such a supplier and thus qualifies for Rate 97. The supplier agreement with WBIP, however, terminates on October 11, 1987. MDU has been informed that the supplier and WBIP have agreed to renew and extend their transportation agreement. Therefore, MDU submitted a Petition for Declaratory Ruling in order to determine whether Rate 97 should be charged to Cenex subsequent to October 11, 1987.


The Commission can find nothing in the language of the Rate 97 tariff, nor in orders wherein Rate 97 was specifically approved or extended, that indicates that Rate 97 was to terminate on a specific date. In Docket 85.7.30, the last MDU general gas rate case, the Commission stated in Order No. 5160b, paragraph 17, "The current price for Rate 97 ... will remain in effect, however, until such time as a more desirable method to compute transportation prices is proposed." In this Docket, No. 87.1.8, several MDU gas transportation customers are challenging the reasonableness of MDU's gas transportation tariffs. The Commission expects that the record that is developed in Docket No. 87.1.8 will allow it to make an informed determination of the reasonableness of MDU gas transportation rates. Until such a determination is made in this Docket, the Commission finds that MDU should charge Cenex under Rate 97 for the continuation of transportation of natural gas to Cenex after October 11, 1987.

APPROVED BY THE COMMISSION OCTOBER 7, 1987.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

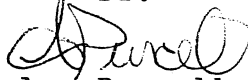

CLYDE JARVIS, Chairman


HOWARD L. ELLIS, Commissioner


JOHN B. DRISCOLL, Commissioner


TOM MONAHAN, Commissioner

ATTEST:


Ann Purcell
Acting Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.

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